

MacDonald Mines Announces Private Placement Financing and Strategic Relationship with GoldSpot Discoveries

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TORONTO, Sept. 29, 2021 (GLOBE NEWSWIRE) -- MacDonald Mines Exploration Ltd. (TSXV: BMK, OTC: MCDMF) ("MacDonald Mines" or the "Company") is pleased to announce that it intends to complete a non-brokered private placement financing of up to C\$4.0 million of units (the "Unit Offering") and "flow-through" units (the "FT Offering", and together with the Unit Offering, the "Offering").

The Offering will consist of (i) a minimum of 25,000,000 units (the "Units") at a price of C\$0.04 per Unit for gross proceeds of a minimum of C\$1.0 million (the "Minimum Offering") and a maximum of up to 50,000,000 Units for gross proceeds of up to \$2.0 million (the "Maximum Offering"), and (ii) up to 44,444,445 flow-through units (the "FT Units") at a price of C\$0.045 per FT Unit for gross proceeds of up to C\$2.0 million. Each Unit will consist of one common share (a "Common Share") in the capital of the Company and one-half (1/2) of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant") of the Company. Each Warrant shall be exercisable to acquire one Common Share at a price of C\$0.07 per share for a period of 24 months from the closing date of the Offering. Each FT Unit will consist of one Common Share to be issued on a "flow-through" basis, and one-half of one Warrant.

The Company is relying on the temporary relief measures announced by the TSX Venture Exchange ("TSXVE") on April 8, 2020 and June 17, 2021 (the "Temporary Relief") in offering the Units and the FT Units at a price that is less than \$0.05. Pursuant to the Temporary Relief, the Issuer will not issue more than 100% of its issued and outstanding Common Shares pursuant to the Offering. All securities issued under the Temporary Relief will be subject to a TSXVE hold period in addition to the restricted period under applicable securities laws and will be legended accordingly. The proceeds of the Offering will not primarily be used to pay management fees or for investor relations activities. Please see the table below for use of proceeds from the sale of Units.

MacDonald Mines is also pleased to announce that it has entered into a strategic relationship with [GoldSpot Discoveries Corp.](#) (TSXV: SPOT, OTCQX: SPOFF) ("GoldSpot") to assist in the advancement of the Company's SPJ Project located approximately 40 km east of Sudbury, Ontario. GoldSpot will utilize its artificial intelligence and machine learning technologies to optimize exploration targets, allowing the Company to better focus drilling efforts and unlock value across MacDonald Mines' significant landholdings.

Commenting on the relationship, Interim Chief Executive Officer of MacDonald Mines, Stuart Adair, stated: "We are delighted to welcome GoldSpot as a strategic service provider of MacDonald Mines. The SPJ Project will benefit tremendously from the assistance of GoldSpot's technologies and data-driven approach to exploration. Our team looks forward to working with the GoldSpot team to evaluate and unlock the potential of the SPJ Project."

Commenting on the transaction with MacDonald Mines, Denis Laviolette, Executive Chairman and President of GoldSpot, stated: "GoldSpot is excited to provide our proprietary technology to MacDonald Mines. The size of the SPJ Project's land package is substantial and we believe the large number of potential targets on the property are ripe for further analysis and refining under our team's technological and geological guidance."

The proceeds from the Unit Offering will be used by MacDonald Mines as set out in the Use of Proceeds table below, assuming the raising of either (i) the Minimum Proceeds and (ii) the Maximum Proceeds. The Offering of Units will only close if the Minimum Proceeds are raised. If more than the Minimum Proceeds from the sale of Units are raised, all additional funds up to the Maximum Proceeds will be used as set out in the Use of Proceeds table below. There is no minimum for the sale of the FT Units in the FT Offering, which proceeds will solely be used to incur Canadian Exploration Expenses.

The gross proceeds from the sale of FT Units in the FT Offering will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "Qualifying Expenditures") related to the Company's projects in Canada. All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Units effective December 31, 2021.

USE OF PROCEEDS OF UNIT OFFERING

CORPORATE EXPENSES	Minimum Offering*	Maximum Offering*
	6 months (Oct. 2021 - April 2022)	12 months (Oct. 2021 - Sept. 2022)
Management fees & consulting (CEO & CFO)	\$ 100,000	\$ 200,000
Shareholder communications (incl. IR activities)	30,000	60,000
Audit fees	20,000	40,000
Professional fees	40,000	80,000

Public company fees		13,750	27,500
Insurance		7,500	15,000
Transfer agent		2,100	4,200
Office rent		5,500	11,000
Telecommunications		4,000	8,000
General office		7,500	15,000
Total Corporate Expenses	\$	230,350	\$ 460,700
PROJECT EXPENDITURES			
Drilling		293,850	938,500
Artificial intelligence and machine learning		350,000	350,000
Geophysical work		-	125,000
Field mapping		125,800	125,800
Total Project Expenditures	\$	769,650	\$ 1,539,300
Grand Total	\$	1,000,000	\$ 2,000,000

*Although MacDonald Mines intends to use the proceeds of the Unit Offering as described above, the actual allocation of net proceeds may vary from the uses set forth above, depending on how future operations unfold, unforeseen events or adjustments in accordance with prudent business practices.

Certain insiders of MacDonald Mines may participate in the Offering; however, the total participation by insiders is not expected to exceed 25% of the Offering. Upon closing of the Offering, the Company may pay a cash fee up to 8% of the aggregate gross proceeds raised in the Offering and 8% compensation options ("Compensation Options") of the total number of Units and FT Units sold pursuant to the Offering to certain finders or in connection with certain advisory fees payable. Each Compensation Option will entitle the holder thereof to purchase one Unit (a "Compensation Option Unit") at an exercise price per Compensation Option Unit equal to \$0.05 for a period of 24 months following the Closing Date.

Closing of the Offering is scheduled to occur on or about November 5, 2021 and is subject to the approval of the TSXVE and other customary closing conditions. There can be no assurances that the Offering will be completed on the terms set out herein, or at all, or that the proceeds of the Offering will be sufficient for the uses of proceeds as set out above.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This news release does not constitute an offer for sale of securities in the United States.

About MacDonald Mines Exploration Ltd.

MacDonald Mines Exploration Ltd. is a mineral exploration company headquartered in Toronto, Ontario that trades on the TSX Venture Exchange under the symbol "BMK".

The Company is focused on developing its 100%-owned SPJ Project in Northern Ontario. Following up on its successful 2019/20 exploration and drilling campaigns, MacDonald Mines is focused on what it theorizes to be a large gold system at work on the 19,380 ha property with high-grade gold surrounding the past-producing Scadding Gold Mine and gold/polymetallic mineralization over several kilometres around it.

To learn more about MacDonald Mines, please visit www.macdonaldmines.com

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